



C A L I F O R N I A

Dairy Review

VOLUME 8 ISSUE 7

JULY 2004

FEATURES

- 1 Department Calls Hearing
- 2 Production, Prices, Quota Transfers, Alfalfa
- 3 BSE Surveillance Update
- 4 Bovine TB Update
- 5 Questions from the Coral . . .
- 5 USDA Listening Sessions on Animal ID
- 6 Dairy Council Assessments
- 6 National Dairy Situation
- 7 Rural Crime Scene in California
- 8 Payments to Producers
- 9 Milk Pricing Seminar
- 10 Pool & Mailbox Prices


DEPARTMENT CALLS HEARING

The Department has scheduled a public hearing to consider amendments to the milk movement incentives as provided in the Pooling Plan for Market Milk (Pooling Plan) and the Stabilization and Marketing Plans for Market Milk for the Northern California and Southern California Marketing Areas (Stab Plans). The hearing will be held on August 4, 2004, beginning at 9:00 a.m., at the Holiday Inn Capitol Plaza, 300 J Street, Sacramento, in the California Room.

The petition received from Clover Stornetta Farms, Inc. proposed amendments to the transportation allowance system in the Pooling Plan and Stab Plans. The hearing will consider the petitioner's proposal to amend the Stab Plans in effect on August 4, 2004 to amend transportation credit for milk moving into Marin and Sonoma Counties. In addition, the hearing will consider proposals to amend the Pooling Plan and the Stab Plans that provide incentives to move milk to higher usages. These include provisions for transportation allowances, transportation credits, and the milk movement requirements.

The Department will accept alternative proposals for consideration at the hearing - these proposals must be received by the Department's Dairy Marketing Branch, 1220 N Street, Sacramento, CA 95814, or faxed to (916) 341-6697, by 4:00 p.m., July 7, 2004. In addition to a signed copy, please e-mail a copy of the proposal to: dairy@cdfa.ca.gov for posting to the website.

To assist interested persons in preparing for the hearing, a public workshop will be held on July 20, 2004, at the Holiday Inn Capitol Plaza, 300 J Street, Sacramento, in the Grenada Room, beginning at 9:00 a.m. At this workshop, interested persons can review and discuss all the proposals with Department staff and other interested parties. The Department will supply background and analyses of the petitions and alternative proposals submitted by the July 7, 2004 deadline. The workshop will be informal and educational in nature and discussion during the workshop will not be part of the official hearing record. The Department's entire hearing exhibit will be available for public inspection at the Sacramento office on July 28, 2004.

If any interested party has questions regarding the call of these hearings or needs assistance in developing language for a proposal, please contact Eric Erba or Tom Gossard at (916) 341-5988. 



California Department of Food and Agriculture
A.G. Kawamura, Secretary

C A L I F O R N I A D A I R Y P R O D U C E R N E W S

May Milk Production

Milk production in California for May 2004 totaled 3.14 billion pounds, up 1.8 percent from May 2003. USDA's estimate for U.S. milk production for May 2004 in the 20 major dairy states is 13.0 billion pounds, down 0.1 percent from May 2003. Production per cow in the 20 major states averaged 1,684 pounds for May, 13 pounds above May 2003. ☀

Minimum Class Prices

Statewide average hundredweight prices

Class	May	June	July
1	\$21.40	\$22.18	\$18.50
2	\$13.79	\$15.00	\$15.00
3	\$13.62	\$14.83	\$14.83
4a	\$13.95	\$ N/A	\$ N/A
4b	\$19.34	\$ N/A	\$ N/A

Federal Order and California Minimum Class 1 Prices

Average Hundredweight Prices

Regions	May	June	July
Phoenix, Arizona	\$22.00	\$23.48	\$20.30
Southern California	\$21.53	\$22.31	\$18.63
Portland, Oregon	\$21.55	\$23.03	\$19.85
Northern California	\$21.26	\$22.04	\$18.36
Boston (Northeast)	\$22.90	\$24.38	\$21.20

Quota Transfer Summary

For May 2004, seven dairy producers transferred 5,353 pounds of SNF quota. May quota sales averaged \$454 per pound of SNF (without cows), average ratio of 2.46. For June 2004, seven dairy producers transferred 18,476 pounds of SNF quota. June quota sales averaged \$472 per pound of SNF (without cows), average ratio of 2.41. ☀

Alfalfa Update: June

Northern California: By month-end, Premium and Supreme alfalfa was steady with good demand and a light to moderate supply. Fair and Good alfalfa was steady with moderate demand and light supplies. Retail and Stable hay was also steady with good demand and moderate supplies. Production is under way in the intermountain area and exporters showing interest in special order hay. Weather has been favorable for hay production.

Southern California: Premium and Supreme alfalfa not well tested and this season mostly done for this high test hay. Fair and Good alfalfa was steady with more hay moving toward dry cow quality. Retail and Stable hay was steady with supply on the increase. Third cutting is going into storage as producers move on to fourth cutting. ☀

Supreme Hay Prices

Statewide average prices per ton

Area	5/28	6/4	6/10	6/18
Petaluma	\$160-178	\$155-170	\$170	\$165-177
North Valley ¹	\$155-168	\$160-175	\$160-175	\$150-175
South Valley ²	\$162-188	\$160-185	\$168-183	\$160-183
Chino Valley	—	—	—	—

¹ North Valley is Escalon, Modesto and Turlock areas.

² South Valley is Tulare, Visalia and Hanford areas.

Alfalfa Hay Sales/Delivery

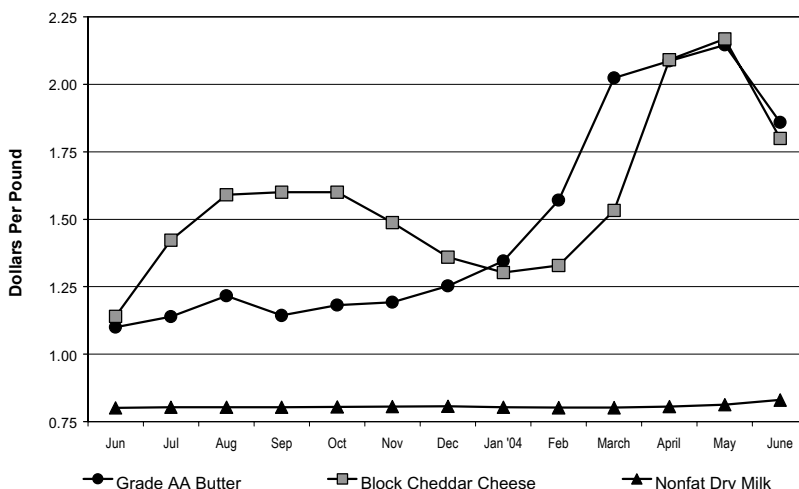
	May	June
Tons Sold ¹	243,172	236,188
Tons Delivered ²	99,253	123,080

¹ For current or future delivery.

² Contracted or current sales.

Alfalfa hay sales, deliveries and Supreme quality prices per ton, delivered to dairies, as reported by the USDA Market News Service, Moses Lake, WA, (509) 765-3611, <http://www.ams.usda.gov/marketnews.htm>

Grade AA Butter, Block Cheddar Cheese, and Nonfat Dry Milk Prices Used in the Calculation of California Class 1 Milk Prices





BOVINE SPONGIFORM ENCEPHALOPATHY SURVEILLANCE UPDATE

Enhanced BSE Surveillance Plan

The United States Department of Agriculture (USDA) has begun an enhanced BSE surveillance plan following the diagnosis of BSE in Washington State in December 2003. The goal of the plan is to determine if BSE is present in the National Herd and, if so, at what level.

As many samples as possible will be collected over the next 12-18 months from "high-risk" adult cattle that:

- ◆ Cannot rise or cannot walk
- ◆ Show neurological signs
- ◆ Are condemned, euthanized or died following signs that may be associated with BSE
- ◆ Die from unknown causes.

A USDA cost recovery system is planned to aid the cattle industry during this surveillance program. These costs include the transportation of carcasses, storage of products or carcasses, and the disposal of products.

Source of Samples

To examine as many high-risk cattle as possible, samples will be taken on the farm, at slaughtering facilities, rendering plants, livestock auctions and at laboratories.

The surveillance program will also include samples from apparently normal, aged cattle. After sampling, the carcasses of these cattle will be held (not processed) until the BSE test results are negative.

BSE Testing Protocol in California

The CDFA and USDA personnel will collect samples from high-risk cattle throughout California. The samples will be sent to the California Animal Health & Food Safety Laboratory in Davis. The laboratory will run an approved rapid screening test for BSE. If the sample is negative, no further testing will be performed.

A small percentage of samples may have inconclusive results because of the sensitivity of the screening test. An inconclusive test is one in which a negative result cannot be determined using a single test. All inconclusive samples will be retested at the National Veterinary Service Laboratories, (NVSL) using immunohistochemistry - the internationally recognized gold standard for BSE testing. This test will determine if the sample is truly BSE positive or negative.

Carcasses or rendered products will be held until there is a negative laboratory result, and then they will be released.

California Needs Cattle Producers Assistance

Testing as many "high-risk" cattle over 30 months of age as possible will assist the U.S. in resuming trade in beef and beef products. Producers can assist in this effort by:

- ◆ Ensuring all cattle, including dead animals, are identified before leaving the premises.
- ◆ Keeping accurate animal identification and movement records.
- ◆ Keeping accurate feed records.
- ◆ Reporting cattle with neurological signs to your veterinarian.
- ◆ Disposing of carcasses appropriately, such as with a licensed renderer.

**The toll-free number for the BSE
surveillance program is
1-866-536-7593**

Consequences of a BSE Diagnosis in California

Additional cases of BSE may be diagnosed during this surveillance. If BSE is confirmed, the carcass and rendered products will be destroyed. The positive animal will be traced to its premises of origin and the herd will be held until a full epidemiological investigation has been completed. Additional herds may be held if they are associated with the case. The movement of milk will not be impacted if BSE is diagnosed.

Because BSE does not spread from animal to animal, only cattle directly associated with the case will be destroyed - not the entire herd. The investigation will focus on cattle that may have been exposed at a young age to the same feed as the infected animal. Cattle that consumed the same feed as the case will be traced and destroyed. Any offspring of the infected animal will also be traced and destroyed.

Identification and movement records will be used to clear all but these associated animals. Other cattle may be destroyed if there is insufficient identification or records to determine their identity.

CDFA Animal Health Branch Offices	
Sacramento (HQ)	916-654-1447
Modesto	209-491-9350
Ontario	909-947-4462
Redding	530-225-2140
Tulare	559-685-3500
USDA/APHIS/VS 916-857-6170 or 877-741-3690	



CALIFORNIA DEPARTMENT OF FOOD & AGRICULTURE

Bovine Tuberculosis (TB) in California

In April 2003, California was classified as **Modified Accredited Advanced (MAA)** because bovine TB had been confirmed in three dairy herds since May 2002. All three herds were quarantined, the cattle destroyed, and the affected premises cleaned and disinfected. All three herds have been repopulated and TB tested negative. California aims to reapply for Accredited Free status in April 2005, if no additional infected herds are detected.

Closing the Tuberculosis Task Force In Tulare

In June 2002, the California Department of Food and Agriculture (CDFA) and the United States Department Agriculture (USDA) established a task force in Tulare to control and eradicate TB from the initial infected herd. Task force personnel have:

- Depopulated, cleaned and disinfected the three infected dairies.
- Completed the investigations on all three infected herds.
- Tested all dairy herds in Tulare, Kings and Fresno Counties, finding no disease beyond the infected herds.

The Tulare task force office has now closed. However, TB testing by government personnel continues throughout California - a total of 688 herds (876,069 cattle) have been tested between May 1, 2002 and June 22, 2004.

Cumulative Since May 13, 2002	
Number of herds tested	688
Number of animals tested	876,069
Number of herds quarantined	3
Number of cattle destroyed	~13,000
Average number of field personnel	30

Source of TB Infection

The source of infection in the three California dairy herds appears to be cattle imported from out of state. Two recent TB infected cattle - a heifer in Arizona (tested to move to Kansas) and a feedlot steer slaughtered in Wisconsin were traced back to a New Mexico calf raising facility.

The New Mexico calf facility raised approximately 14,000 heifer and bull calves at a time. Information on the premises of origin was not maintained. The majority of these cattle were shipped to feedlots for growing prior to breeding or slaughter. Once bred, heifers were dispersed throughout the US, including California.

CDFA and USDA employees are tracing and testing cattle imported into California from these Arizona, Kansas and New Mexico facilities over the last few years.

TB Surveillance in California

Surveillance in live cattle and at slaughter is key to rapid detection and eradication of TB. All cattle are examined for TB at slaughter. The goal for good surveillance is to examine tissues from one animal in the laboratory for every 2,000 adult cattle slaughtered. California's high cull rate - approximately 30% annually - helps TB surveillance. California continues to set high standards for slaughter surveillance; this enhanced surveillance led to the detection of the first and third infected herds.

Live cattle TB screening tests have a high "false positive" rate - a 1 percent caudal-fold response rate is standard due to cattle health and environmental issues. Most of these cattle are negative on the confirmatory test done by regulatory veterinarians. Guidelines enhancing the quality of practitioner tests are being developed.

California's Eradication Plan

- Investigate all cattle imported into California that may have been associated with TB infection in Arizona, Kansas, New Mexico, Texas and Michigan.
- Maintain enhanced slaughter surveillance in all California's slaughter plants.
- Improve live cattle testing procedures through training and education.
- Prepare to apply for Free status in April 2005.

CDFA Animal Health Branch Offices	
Sacramento (HQ)	916-654-1447
Modesto	209-491-9350
Ontario	909-947-4462
Redding	530-225-2140
Tulare	559-685-3500
USDA/APHIS/VS 916-857-6170 or 877-741-3690	



Questions from the Corral

See end of this column for information on submitting questions

Q What are Transportation Allowances?

A Transportation allowances were developed to offset a portion of producer hauling costs for moving milk into designated receiving areas. The allowances attempt to make producers indifferent to shipping to a local plant versus shipping to a more distant plant. Transportation allowances apply to all Grade A milk moving from dairy farms to qualifying plants in receiving areas. The plant must process more than 50 percent of the milk they receive into Class 1, 2, and/or 3 products. Transportation allowances are deducted from the Pool every month prior to pool price calculations.

Q How does a Plant become a “Qualifying Plant”?

A A plant must process more than 50 percent of the milk received into Class 1, 2, and/or 3 products.

Q What are Receiving Areas?

A Receiving areas may be as small as a single county or as large as six counties. Currently, receiving areas exist for San Diego County, Southern California, the San Francisco Bay Area, Solano County, Sacramento County, and Shasta County.

Note: Send your “Questions to the Corral” via the branch website email address: dairy@cdfa.ca.gov or contact Karen Dapper by phone at (916) 341-5988.

Q Does a Producer have to own quota to get a Transportation Allowance?

A No. Any grade A producer shipping to a qualified plant in a designated receiving area will qualify for a transportation allowance.

Q How are Transportation Allowances distributed to Producers?

A If a producer ships milk to a proprietary plant, that money would be reflected on the producer's milk statement. If a producer ships to a co-op, that money may be shared among all co-op members.

Q What are Transportation Credits?

A Transportation credits were established to reduce the cost of plant-to-plant shipments of milk, condensed and skim. The credits offset some of the cost of hauling milk assigned to Class 1 usage from plants in designated supply counties to plants in designated deficit counties. Transportation credits are not available to dairy producers; they are only available to plants that ship milk to Class 1 plants in designated deficit counties. Transportation credits are deducted from the Pool every month prior to pool price calculations. ☀

USDA Plans Listening Sessions on Animal ID

The U.S. Department of Agriculture will hold a series of listening sessions across the country to discuss the development, structure and implementation of a national animal identification program for all livestock and poultry animals. “These sessions will provide public forums to discuss the national animal identification program,” says Under Secretary for Marketing and Regulatory Programs Bill Hawks. He states that a national animal identification program will help the government and industry more quickly control outbreaks of a variety of animal diseases and reduce the economic impacts on the market.

The meeting in California will be held on July 10, 2004 in Stockton with the location not yet determined. This location should soon be posted at: www.aphis.usda.gov/lpa/issues/nais/nais_listening_sessions.html ☀

2004-2005 DAIRY COUNCIL ASSESSMENT RATES ESTABLISHED

The Dairy Council of California has recommended and the Department of Food and Agriculture has approved new assessment rates for the Council's 2004-2005 fiscal year (July 1, 2004, through June 30, 2005). The rates are presented below. The Dairy Council uses the funds generated from these assessments to carry out its mission of stimulating demand for milk by demonstrating the role of dairy products as essential elements in a healthy diet.


The Dairy Council Law mandates a two-tier assessment structure; an assessment for milk used in Class 1 milk products and a lower assessment for milk used in all other classes of milk products.

The Council's maximum allowable assessment rates for Class 1 milk shall not exceed two cents (\$.02) per hundredweight and the assessment for all other usages of milk shall not exceed eight mills (\$.008) per hundredweight. In addition, the relationship between the fees per hundredweight established for Class 1 milk versus milk for all other usages shall be at a ratio of 2.5 to 1.

The 2004-2005 Dairy Council assessment rates are applicable to both milk producers and milk handlers and are as follows:

- The Class 1 milk assessment rate is one and fifty hundredths cents (**\$0.015**) per hundredweight.
- The assessment rate for all other usages of milk is sixty-hundredths cents (**\$0.006**) per hundredweight.

Both of the above rates are the same as last year's assessment. As in the past, handlers will continue to be responsible for remitting both the handler and producer assessments to the Department. Handlers shall pay the handler assessments for milk utilized in the plant of the handler. The producer assessments shall be collected by the first handler of milk produced in California by deducting any such assessments from any payment due the producer of such milk.

Please call Steven Donaldson of the CDFA Marketing Branch at (916) 341-6005 if you have any questions about these assessment rates. If you have questions regarding the activities of the Dairy Council, please call Ms. Peggy Biltz, CEO of the Dairy Council, at (916) 263-3560. 

National Dairy Situation and Outlook – USDA Estimates

Milk Production and Cow Numbers

Monthly: Compared to 2003, USDA estimates that overall milk production across the U.S. was down 0.4% in May, led by Texas' 6.4% growth in milk production (on 3,000 less cows and 120 more pounds per cow). California's estimated production was up 2.1% (on 35,000 more cows and 10 less pounds per cow). Among other western states, Arizona was up 1.6%; New Mexico up 1.2%; and Washington down 1.9%. Four of the top 10 states reported an increase: Idaho 2.1%, Texas 6.4%, Michigan 0.2%, and California 2.1%.


Quarterly: For the first quarter of 2004 compared to the fourth quarter of 2003, U.S. milk cow numbers were down 0.2% at 8.991 million, production per cow was up 3.0%; the net effect was a 2.9 increase in milk production to 42.7 billion pounds. USDA projects that for the second quarter of 2004 compared to the first quarter of 2004, U.S. milk cow numbers will decrease 10,000 cows to 8.980 million cows, production per cow will be up 2.3%; the net effect would be a 2.3% increase in milk production to 43.6 billion pounds.

Milk Prices

Comparing the first quarter of 2004 to the fourth quarter of 2003, U.S. average milk prices were down \$0.33/cwt. to \$14.07/cwt. USDA projects that for the second quarter of 2004, U.S. average milk prices will be up \$4.75-\$5.10/cwt. compared to the first quarter; including a \$6.50-\$6.70 increase/cwt. Class 4b price change and a \$1.50-1.75 increase/cwt. Class 4a price change.

Utility Cow Prices

Comparing the first quarter of 2004 to the fourth quarter of 2003, average U.S. utility cow prices were down \$1.52/cwt. to a national average of \$48.08/cwt. USDA projects that utility cow prices will average \$55-56 in the second quarter of 2004.

Information from the USDA-NASS publication "*Milk Production*" and the USDA-ERS publication: "*Livestock, Dairy, and Poultry Outlook*." 

The Rural Crime Scene in California:

Rural Crooks Living “High off the Hog” on California’s Farmers

Excerpts from an article by Liz Schwall

California’s rural peace officers have their work cut out for them. Despite a population of more than thirty five million residents, California still boasts hundreds of thousands of acres of productive crop and rangeland as well as vast tracts of pristine wildlands. As one of the largest agricultural economies in the world, California is an enticing target for rural law breakers.

Assessing and monitoring rural crime within the state is one of the functions of the California Rural Crime Prevention Task Force. The Task Force is comprised primarily of law enforcement personnel from about forty California sheriff’s offices, a number of district attorney’s offices, the USDA, and state agencies including the Attorney General’s Office, the Office of Emergency Services, the Department of Food and Agriculture, the Department of Fish & Game, and the California Highway Patrol. The California Farm Bureau and the United Agribusiness League belong to the Task Force as do a number of private growers’ organizations and businesses including the Harris Ranch, Allied Insurance and the Olive and Nursery Grower’s Associations. The mission of the group is to educate the public about the impact of rural and agricultural crime to propose and implement solutions through crime prevention programs, and to provide training to law enforcement professionals.

Rural crime in California is widespread and varied. Thefts from farms, ranches and businesses of irrigation pipe, chemicals, farm equipment and mail are not uncommon. With sky-rocketing prices, diesel fuel theft has jumped dramatically. In 2003, Tulare County reported that 33,380 gallons of the fuel had been stolen from county farmers. This year alone, 47 farmers have reported fuel thefts in the amount of 41,000 gallons. Fresno County is getting hit hard too with fuel thefts so far this year totaling in excess of \$34,000.

All sorts of farm crops get “lifted”. Thieves steal hay and pistachios, avocados and nursery flowers, corn and citrus. Even the stately palm tree is not safe. Used to landscape upscale hotels and shopping malls, trees are literally pulled from the ground, usually at night, and then sold. Small trees bring from \$35 to \$500 while their larger relatives can command much higher prices. Stolen palms, recovered in Las Vegas two years ago were valued at \$12,000 apiece.

Palms are not the only trees that attract the attention of thieves, walnut orchards are also targeted. Walnut

trees are valuable ... both for the nuts they bear and also for another, less well known product the tree produces... the burl. The burl is the misshapen knot that is found where the tree trunk and the root meet. Used in the manufacture of furniture, gun stocks, and luxury car dashboards, the swirled grain of the walnut burl is a “hot” commodity. Generally, walnut burls are (legally) harvested when old walnut orchards are cut down. Legitimate buyers purchase the burls as the old trees come out. On the other hand, consider the case of the guy who sold the burls from his trees... problem was... they were *not* his trees. This creative yet dishonest entrepreneur contracted with burl dealers, directed them to an orchard, and then “sold” them the trees. The duped dealers would begin removing trees only to find themselves confronted by furious orchard owners.

The loss of livestock continues to plague ranchers and farmers as evidenced by recent cattle losses in Tulare, Riverside and San Luis Obispo Counties. Got Eggs? One egg ranch in San Joaquin County found out that they *did not*. An unscrupulous worker was stealing eggs from the ranch at a rate of more than one hundred dozen per day.

Other illegal activities also create problems for rural residents; most significantly, the staggering increase in the theft of mail from rural boxes. Solano County deputies recently arrested six individuals who were thought to be involved in the commission of forty suspected rural mail thefts. Why do crooks want the mail? Increasingly, mail is stolen in order to get social security numbers, bank account numbers and credit card information. Once armed with this “identity” information, criminals are free to rack up charges and drain bank accounts.

Hay, grain, fruits and vegetables...these are not the only “cash” crops in California. The incidence of illegal marijuana gardens, both on private and public lands, continues to keep rural officers running full speed during the summer months. Tehama County deputies spent last summer dealing with Mexican nationals who hired farm workers to grow, tend and harvest marijuana on public land. When the operation was raided, deputies made the unnerving discovery that the workers communicated with sophisticated satellite telephones and carried rifles equipped with silencers. Marijuana isn’t the only drug out there though. The manufacture and use of methamphetamine plagues

(Continued on next page)

Payments to Producers . . . Cash-On-Delivery and Wire Transfers

For the past few months, the announced minimum prices for farm milk have been at historically high levels. The following notes are reminders of a few of the provisions of the Food and Agricultural Code (Code) concerning payments to producers.

Cash-On-Delivery Payments

Some milk handlers purchase milk from producers under cash-on-delivery (COD) terms at a fixed price per gallon. Milk handlers purchasing milk from producers of organic milk also contract at fixed-prices per hundredweight. In each of these instances during a typical month, the prices paid to producers usually surpass the minimum prices announced by the Department, however recent months with the higher than normal minimum prices are an exception.

Each producer and each handler of bulk milk is obligated to sell/purchase milk at a price that is equal to or higher than the minimum farm-milk prices announced by the Department. There are no exceptions to this requirement when the milk is produced and sold within the state of California.

Contracts that do not reflect this requirement have price terms that may violate State law and therefore may not be enforceable. Handlers must ensure that the prices paid to producers are in compliance with the minimum price provisions of the Food and Agricultural Code. If the fixed prices paid do not meet or exceed the minimum prices in effect at the time the milk is delivered, an adjustment must be made to comply with the law.


If the handler utilizes milk for Class 4 products and pays on a COD basis, prices paid must approximate the minimum prices for such milk (Class 4 minimum prices are announced at the end of each month and are effective for that month). Class 4 processors may use the previous month's minimum prices for the current month so long as there is a final settlement check on the first of the next month. This ensures all milk purchased during the month was purchased at or above announced minimum prices.

Wire Transfer Payments

As electronic (or wire) transfers become a more commonplace method of payment for goods and services, there have been an increasing number of this form of payment for bulk milk delivered to a handler by producers. Section 62200 of the Code provides that a handler must pay producers by cash or

by check. Furthermore, Section 1001 of the Pooling Plan for Market Milk requires that payments to direct shippers by Pool handlers shall be made no later than the last day of the month for milk delivered during the first 15 days of the month and by the 15th day of the month for milk delivered from the 16th to the end of the preceding month. For Pool handlers, the Pooling Plan for Market Milk provides that for payments to producer-owned cooperatives, these handlers must pay by the 13th and the 28th of each month rather than the 15th and the end of the month.


For non-pool plants, the Code requires that producers be paid on the first day of the month for milk shipped during the first 15 days of the previous month, and on the 15th of the month for milk shipped from the 16th day to the end of the previous month.

The Department must treat a wire transfer of cash to be a form of a cash payment. Accordingly, the wire transaction must be completed on the dates as stated in the Code. If you have any questions regarding the minimum-price provisions of the Food and Agricultural Code, please contact Bob Maxie or John Lee at (916) 341-5901. 

Rural Crime - Continued from page 7

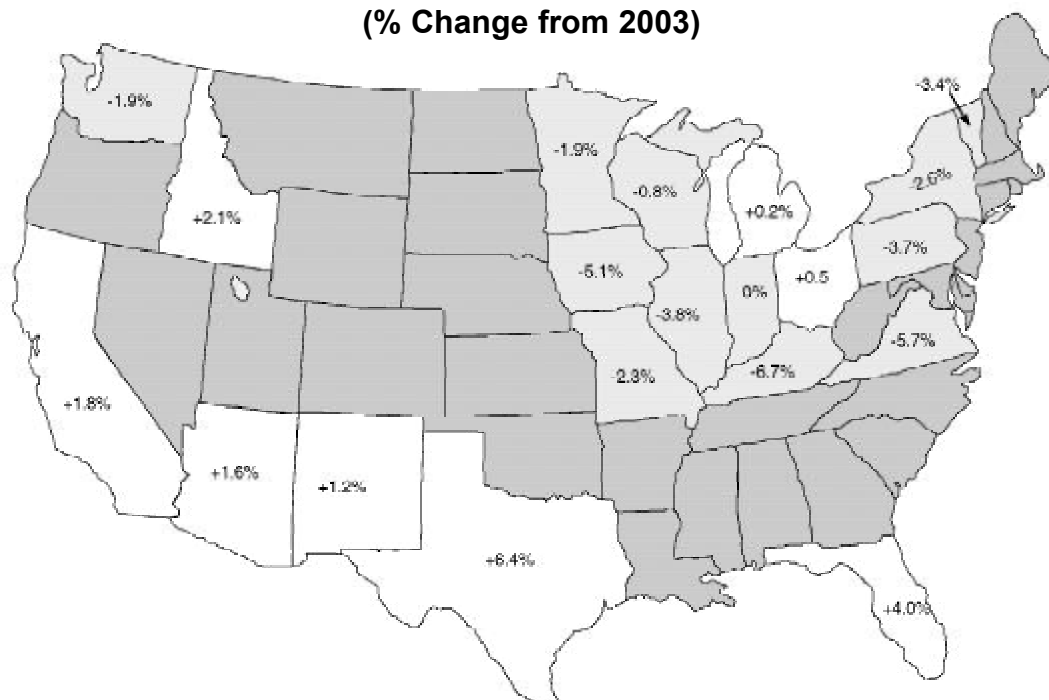
many rural counties. Meth labs are often set up in remote, hard to find locations. They contain volatile chemicals and deadly gasses that make them a real threat to rural residents and to the officers who are charged with finding and destroying the labs.

Clearly, rural crime in California is widespread and encompasses many forms. One of the functions of the California Rural Crime Task Force is to provide training and education. Each year, the Task Force conducts a forty-hour school entitled "Introduction to Rural Crime." This intensive, five-day class is accredited and is designed for rural patrol officers and crime prevention personnel who desire to upgrade their knowledge or develop an expertise in the area of rural crime. The course, which involves both lecture and practical "field" exercises covers such topics as livestock theft investigation, breed and brand recognition, commodities and equipment theft investigation, rural criminal law, expert testimony, fish and game law enforcement, agricultural chemical theft, immigration law, and more.

Anyone wishing to know more about the Task Force or the school is encouraged to contact Task Force **President Jim Johnson** with the Merced County Sheriff's Office. He can be reached at **(209) 827-2110** or by e-mail at: **5172@co.merced.ca.us**. 

May Milk Production in the Top 20 States

(% Change from 2003)



For the U.S. overall, comparing May 2004 to May 2003:

- Milk production during May was down 0.4%
- The number of cows on farms was 8.982 million head, down 120,000 head
- Production per cow averaged 1,663 pounds, 15 pounds more than May 2003
- Eleven of the top twenty milk producing states showed a decrease in milk production

As reported by USDA
and CDFA (for California)



California Milk Pricing Seminar

Presented by the CDFA Dairy Marketing Branch

July 22, 2004 - 9 a.m. to 12 Noon

S.E.S. Hall, 10427 Stockton Blvd. - Elk Grove, California

The seminar will focus on:

- History of pricing and pooling regulations
- Basics of pricing formulas
- How to read your milk statement
- Questions and answers on current topics

*For information or questions regarding the seminar,
contact Eric Erba or Candace Gates at (916) 341-5988*



Hundredweight
Pool Prices

Month	Quota	Overbase
November	\$ 11.44	\$ 9.74
December	\$ 11.48	\$ 9.78
January '03	\$ 11.40	\$ 9.70
February	\$ 11.11	\$ 9.41
March	\$ 10.93	\$ 9.23
April	\$ 11.02	\$ 9.32
May	\$ 11.05	\$ 9.35
June	\$ 11.17	\$ 9.47
July	\$ 12.72	\$ 11.02
August	\$ 13.96	\$ 12.26
September	\$ 14.34	\$ 12.64
October	\$ 14.45	\$ 12.75
November	\$ 13.56	\$ 11.86
December	\$ 13.09	\$ 11.39
January '04	\$ 12.71	\$ 11.01
February	\$ 13.32	\$ 11.62
March	\$ 15.44	\$ 13.74
April	\$ 18.23	\$ 16.53
May	\$ 18.69	\$ 16.99

Milk Mailbox Prices


Milk Mailbox Prices in Dollars per Hundredweight

**	September*	October	November	December	Jan '04	February	March
California*	\$13.24*	\$13.46*	\$12.82*	\$12.54*	\$12.11	\$12.69	\$14.65*
USDA**	\$14.28*	\$14.88*	\$14.50*	\$13.81*	\$13.12	\$13.54	\$15.28*

1 California mailbox price calculated by CDFA.
2 All federal milk market order weighted average, as calculated by USDA.



In March 2004, mailbox prices for selected reporting areas in Federal milk orders averages \$15.28 per cwt., \$1.74 more than the figure for the previous month. The component tests of producer milk in March 2004 were: butyric fat, 3.68%; protein, 3.05%; and other solids 5.70%. On an individual reporting area basis, mailbox prices increased in all reporting areas and ranged from \$16.62 in Florida to \$13.45 in New Mexico. In March 2003, the Federal milk order all-area average mailbox price was \$10.73, \$4.55 lower.
Note: Beginning with the January 2004 report, a new reporting area - Indiana - is shown.



Dairy Marketing Branch
1220 N Street
Sacramento, CA 95814

The California Department of Food and Agriculture Dairy Marketing Branch publishes the California Dairy Review monthly. Please direct any comments or subscription requests to Karen Dapper at (916) 341-5988 or send an email to dairy@cdfa.ca.gov

Milk Pricing Information:
Within California 1-800-503-3490
Outside California 1-916-442-MILK

Dairy Marketing Branch:
Phone (916) 341-5988; Fax (916) 341-6699
Website: www.cdfa.ca.gov/dairy
Email: dairy@cdfa.ca.gov

Presorted
First Class
U.S. Postage
PAID
Permit No. 81
Sacramento, CA

In accordance with the California Government Code and ADA requirements, this publication can be made available in an alternative format by contacting Karen Dapper at (916) 341-5988, by email at dairy@cdfa.ca.gov, or contacting TDD 1-800-735-0193.